GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1583
ANSWERED ON:24.07.2002
FDI IN TELECOM SECTOR
IQBAL AHMED SARADGI

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Union Government have any proposal to hike foreign direct investment cap in the telecom sector to 74 % from the existing 49 % ; and

(b) If so, the details thereof;

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI S MAHAJAN)

(a) & (b) As per the present Foreign Direct Investment(FDI) Policy of the Government, FDI ceiling in the various sub-sectors of telecom varies from 49% to 100%. There is no FDI cap in the case of telecom equipment manufacturing, telecom services like Internet(without gateways), Infrastructure Providers(IP-1), E-mail, Voice mail and IT enabled services.FDI cap of 74% is applicable in the case of Internet (with gateways), Infrastructure Providers (IP-II) providing end-to-end bandwidth and radio paging service and 49 % FDI cap is there in the case of basic, cellular mobile, V-sat, National long Distance, International Long Distance and Global Mobile Personal Communications services. FDI cap in telecom sector is reviewed by the Government from time to time depending upon the investment needs, security considerations etc. and the same is notified after following the procedures laid down fur such review.